



**BOY SCOUTS OF AMERICA**

# Boy Scouts of America Sexual Abuse Settlement

December 5, 2021

- More than 80,000 claims of sexual abuse have been filed against BSA for incidents dating back to 1940.
- Within that period, an estimated 10,000 Methodist and United Methodist congregations have chartered Scout troops and are potentially vulnerable to victims' lawsuits.
- Currently, there are some 3,000 UM churches sponsoring around 9,000 Scout troops and Cub packs, reaching about 300,000 youths and children according to United Methodist Men, which oversees Scouting for the denomination.
- The United Methodist Church is the largest church-related sponsor of Scouting in the United States.

# How could this abuse have happened?

- The unfortunate truth is that, during much of the Scouting Movement's over-100-year history, societal protections in youth-facing programs were insufficient to guard against abuse. Scouting was not immune to these deficiencies.
- Scouting was a leader in making the necessary changes to protect children by implementing its Youth Protection Protocols that value child safety.
- Through the BSA Plan of reorganization, BSA is helping to compensate victims while ensuring that Scouting can continue to benefit youth in the future. (BSA, Frequently Asked Questions document)

# Why wasn't BSA insured before 1976?

- Historically, most states provided charitable organizations like BSA and its chartered partners with a legal defense to personal injury claims under the doctrine of “charitable immunity.” As charitable immunity doctrines weakened nationwide, BSA stepped in to provide insurance for chartered partners. BSA added all chartered partners to BSA insurance policies beginning in 1976.

(BSA, Frequently Asked Questions document)

# Effect of the Settlement on Claims after 1976

- From a chartered partner's perspective, the structure proposed in the amended BSA plan acts like an unlimited insurance policy from January 1, 1976 until February 18, 2020 (the date of the BSA bankruptcy), eliminating financial liability for the chartered partner for that time period.

(BSA, Frequently Asked Questions document)

# What is the scope of the Settlement?

- The Boy Scouts filed bankruptcy in February 2020 in the wake of lawsuits which exposed numerous cases of sexual abuse of Scouts, with the intent to use bankruptcy to set up a fund to compensate survivors.
- The Boy Scouts' plan to exit bankruptcy includes settlements with insurance companies, the Church of Jesus Christ of Latter-day Saints, which previously funded scouting activities, the Boy Scouts and its local councils. These settlement deals total almost US\$1.9 billion.

<https://theconversation.com/sexual-abuse-survivors-are-voting-on-the-boy-scouts-bankruptcy-settlement-5-questions-answered-168337>

# What is the timeline?

- For the judge to approve the Boy Scouts' plan, a majority of the nearly 82,000 survivors who filed claims must vote in favor of it.
- The survivors must return the ballots by Dec. 15, 2021.
- The votes will be tallied by Jan. 4, 2022.
- The judge has scheduled a hearing on Jan. 24, 2022, to consider the results of the voting and whether to approve the Boy Scouts' bankruptcy exit plan.



# How much money will survivors receive?

- The ballot that survivors will receive requires them to choose between two options for payment.
- They can get an “expedited distribution” payment of \$3,500, with almost no questions asked.
- Or they can choose to go through an evaluation process of their abuse claim. Survivors using the evaluation process will receive amounts based on the severity of the abuse they suffered and other criteria.
- Based on the criteria, a survivor could receive as little as \$3,500 or as much as \$2.7 million.

<https://theconversation.com/sexual-abuse-survivors-are-voting-on-the-boy-scouts-bankruptcy-settlement-5-questions-answered-168337>

# What happens if the plan is not confirmed?

- A possible outcome is that the judge does not approve the plan. This might happen for several reasons. Not enough abuse survivors or other creditors may vote in favor of the plan. There also are a few elements of the settlement that the judge still must consider before signing off.
- If the judge does not approve the plan, the Boy Scouts' bankruptcy case will continue. The Boy Scouts will return to negotiations with insurers, abuse survivors and others to try to craft another settlement agreement and bankruptcy exit plan.

<https://theconversation.com/sexual-abuse-survivors-are-voting-on-the-boy-scouts-bankruptcy-settlement-5-questions-answered-168337>

Why do UMC churches who chartered BSA troops have a “claim” in the bankruptcy alongside the survivors?

- UMC chartered churches have a claim against the BSA for their promise to “indemnify and hold harmless” the chartered churches”.

# Who is the UMC “Ad Hoc Committee”?

- Comprised of eight annual conference chancellors, two lawyers from the General Council on Finance and Administration, two staff members of the General Commission on United Methodist Men, and two bishops
- The Ad Hoc Committee has been providing oversight to legal counsel retained by the Ad Hoc Committee to look out for the interests of all United Methodist congregations that have chartered BSA troops.

[UMCOM https://www.umc.org/en/content/congregations-encouraged-to-vote-no-on-bsa-bankruptcy-plan](https://www.umc.org/en/content/congregations-encouraged-to-vote-no-on-bsa-bankruptcy-plan)

# Who is involved in the UMC?

- More than 9,000 United Methodist congregations filed proofs of claim in the BSA bankruptcy case. The proofs of claim give those congregations the opportunity to vote on whether the bankruptcy plan proposed by the BSA should be approved.

UMCOM <https://www.umc.org/en/content/congregations-encouraged-to-vote-no-on-bsa-bankruptcy-plan>

# Why is a “No” vote suggested by the Ad Hoc Committee?

- It communicates to the bankruptcy judge that United Methodists do not approve the plan because it does not provide releases for chartering organizations. Chartering organizations are key to successful scouting programs.
- United Methodist local churches and other United Methodist entities will not be released from liability for claims associated with United Methodist local churches involving abuse that took place during scouting activities prior to 1976. This will result in lawsuits against congregations, annual conferences, and other United Methodist entities.